

FINANCIAL ADVISORY SERVICES

Request for Proposals

INTRODUCTION

The Town of East Windsor is seeking proposals from qualified firms to provide Financial Advisory Services in connection with the Town's debt program and in accordance with this Request for Proposal.

BACKGROUND AND GENERAL INFORMATION

Overview of organization – The Town of East Windsor is an independent town and political subdivision of the State of Connecticut autonomous from any county, town or other political subdivision of the State of Connecticut. The Town of East Windsor was incorporated in 1785 and covers an area of 26.3 square miles. The Town is located in Hartford County and lies in nearly equal distance between Hartford, Connecticut and Springfield, MA. East Windsor's current population is approximately 11,000.

The Town operates under the Town Meeting/Selectman form of government. The five member Board is elected biennially for a two-year term, except for the First Selectman, who serves a four-year term. The Town is a full service community which provides public safety, education, roads, and social services to its residents.

Legal authority to issue debt - The Town of East Windsor is empowered to issue the full range of debt permitted by Connecticut State Statute. The Town's Charter also provides guidelines for the borrowing of funds. The Town's financial advisor is expected to be familiar with these statutes and with the differences between the Town Charter and State statutes.

Outstanding debt, maturity schedules, interest rates, and debt service payments - This information is located in the Town's CAFR, which can be found on the Town's website at www.eastwindsorct.com. The latest annual financial report can also be obtained electronically, upon request to the Treasurer.

Ratings and Bonds Outstanding - The Town is rated Aa2 by Moody's Investor Service. As of June 30, 2014, the Town has \$10.1 million in bond principal outstanding and bond anticipation notes in the amount of \$2.25 million maturing on October, 2015.

Financing Plans - The Town has comprehensive five-year capital plans for its roads, bridges, and heavy equipment, buildings and other major assets. These include investments in parks, open space, equipment, and infrastructure to serve growth and general municipal service provisions. The Town also periodically reviews its existing debt to identify opportunities to refund or restructure debt to achieve its financial objectives.

Planned Bond/Note Sales - The next planned issue of debt will be in spring 2015. This is the first issue in which the new financial advisor will play a role. The Town generally issues bonds no more frequently than once per year and usually during the month of May. Short-term notes are usually also issued in May and expire the following September, at which time projects are refinanced with some partially paid down, and new money is added for projects approved during the budget.

SCOPE OF WORK

The Town of East Windsor is seeking to retain a qualified financial advisory firm to provide advice and services related to the sale of bonds and notes as well as general capital finance planning. It is expected that the financial advisor will work closely with the Town's Treasurer including making recommendations and performing activities related to the issuance of debt and the maintenance of the Town's credit rating. The Town expects to award a contract for a three- year term with a two year option to renew. The Town prefers that the Contract be a fixed price but may allow for cost escalations as determined by an agreed- upon price index. Specifically, the financial advisor may:

- Review and evaluate the Town's existing capital financing plans and work closely with the Treasurer to determine whether current borrowing strategy needs to be amended.
- Design and conduct sales for the Town for competitive marketing of debt issues.
- Assist the Town in reviewing opportunities to refinance and restructure its existing debt in order to reduce costs or to otherwise implement the Town's financial objectives.
- Advise on methods of bond sales (where appropriate).
- Develop RFPs for paying agent and other services related to the sale of the securities.
- Recommend timing of bond sales.
- Identify tasks, responsibilities, and dates for completing activities leading up to bond sales. Assist with coordinating all tasks associated with a sale, including preparation of the offering statement.

- Design or actively participate in the design of debt structure.
- Provide advice on approaches to ratings and assist with rating presentations and the preparation of the presentation.
- Assist in preparing and reviewing documents, including preliminary and final official statements.
- Conduct pre-marketing of issues (competitive sale).
- Evaluate bids, including accuracy of TIC calculation, and recommend award (competitive sale).
- Review pricing, underwriter roles, and allocation of bonds (negotiated sale).
- Coordinate closing arrangements with the Town, bond counsel and underwriter. Assist the Director of Finance in coordinating receipt and disbursement of funds on the settlement date.
- Provide assistance on investment of bond proceeds (if appropriate).
- Provide advice related to compliance with arbitrage regulations.
- Assist with the presentation of recommendations to Town management and Board of Selectman. Prepare and update a debt amortization schedule for new and existing debt at the request of the Treasurer.
- Assist the Town in securing, or providing, Paying Agency services for bonds and notes.
- Should circumstances require municipal bond insurance, assist the Town in coverage qualification and, if necessary, making presentations to municipal bond insurance companies. Analyze premium costs and the impact on the financing rate.
- Preparation of analytical data and/or projections related to internal evaluations of capital projects and Town liabilities including outstanding indebtedness. Provide assistance to the Treasurer during the budget process to assist in answering questions from elected officials.
- Develop financial analyses and special reports as requested.

PROPOSAL PROCESS

Proposals must clearly articulate how those services identified in the scope of work will be provided, costs for services, and include vendor qualifications, experience, and references.

Proposals should not exceed 20 pages including any graphics and/or attachments, and should be submitted as one signed original and two copies. The services provided, qualifications, experience, and reference portions of the proposals will be weighted more heavily than the costs. Proprietary data or trade secrets should be clearly identified as such in your proposal.

Legal Issues/Conflicts of interest: Proposals should also include for your firm:

- Any violations of Federal, state or local regulations/laws within the past 3 years
- Any pending or current litigation
- Arrangements with other parties that could pose a conflict of interest including affiliation of the firm or its main personnel with broker-dealers
- If none of the above applies, then a statement to that effect should be included.

Costs: Proposals should include all costs associated with providing the services described in the Scope of Work. Proposals may include a compensation approach that includes the hourly rate for each individual who would be assigned to the Town of East Windsor or a cost by category for all major activities, including a bond issuance. Your firm's normal compensation method, which may include minimum hourly rates for assigned personnel, should also be proposed. Cost proposals should be included in a separate, sealed envelope marked "Dollar Cost Proposal" (refer to "Submission of Proposals" section below). Cost proposals should specify which fees are proposed on a "not-to-exceed" basis, describe any conditions attached to the fee proposal and explicitly state which costs are included in the fee proposal versus those that are to be reimbursed. In no case should any MSRB fees imposed upon the advisor be passed on to the Town.

Vendor Qualifications & Experience: Proposals must contain a statement as to qualifications of the proposing firm, identify the financial advisor and other staff that will be assigned to work with the Town under this agreement, and provide resumes that fully describe their qualifications and experiences. This section is also to include a list of a minimum of **5 (five)** other municipalities in Connecticut for which your firm is presently under contract to provide financial advisory services, and the name of the primary financial advisor for each.

The municipal advisor must be registered with the SEC and MSRB and provide a statement to that effect as part of the proposal. The firm should be knowledgeable about local political, economic, legal and other issues that may affect borrowings in the Town of East Windsor and should be familiar with GFOA's Best Practices related to the selling of bonds.

References: Provide the names, phone number, contact person and mailing address of at least five references for which similar services have been provided in the last three years. Indicate for which of the references the proposed primary financial advisor has provided services and the capacity of these services.

EVALUATION OF PROPOSALS AND NEGOTIATIONS

The Town will review all proposals submitted and may select up to three proposals for further evaluation. The final three firms may be invited to make a presentation to Town staff, at a location to be determined, at no cost to the Town. Based upon this further evaluation, the Town will select the proposal which best fulfills the Town's requirements. The Town will negotiate with that firm to determine final pricing, and contract form. There will be no public opening and reading of bids. Overall responsiveness to the Request for Proposals will be an important factor in the evaluation process.

Proposals will be evaluated on the basis of:

- Firm's overall qualifications and experience in municipal finance, with an emphasis on general municipal financing, and refinancing of existing debt.
- Qualifications of the proposed primary financial advisor and other staff members, depth of the firm and experience providing financial advisory services to other public agencies of similar size and complexity as the Town of East Windsor.
- Firm's legal issues and conflicts of interest, if any.
- Responsiveness to the Request for Proposal process and general provisions, and understanding of the scope of work as evidenced by the services offered in the proposals and during the evaluation period.
- References.
- Costs.

TENTATIVE SCHEDULE

RFP Release Date	October 1, 2014
RFPs Due To Town Finance Office	October 15, 2014
Evaluation Period	October 15-30, 2014
Contract Signed	November 1, 2014

Submission of Proposals: Proposals are to be submitted to:

**Town of East Windsor
First Selectman's Office
11 Rye Street
Broad Brook, CT 06016**

Proposals must be submitted no later than 11:00 a.m. **October 15, 2014**. Each proposal must be submitted in the prescribed format in a sealed envelope with the title "RFP 2015-01, Proposal for Financial Advisory Services", the closing date and time listed on the outside. Cost proposals should be submitted in a separate, sealed envelope labeled "Dollar Cost Proposal -Financial Advisory Services."

Information must be complete and in compliance with the terms, conditions, provisions and specifications of the Request for Proposals. The information requested and the manner of submission is essential to permit prompt evaluation of all proposals on a fair and uniform basis. Accordingly, the Town reserves the right to declare as non-responsive and reject any proposal in which requested material information is not furnished or where indirect or incomplete answers or information is provided.

Proposals, modifications or corrections received after the specified date and time will not be considered.

Proposals that are submitted electronically, telegraphically, by telephone or by facsimile will not be accepted.

Proposal Postponement and Addendum: The Town of East Windsor reserves the right to revise or amend the specifications or any other part of the proposal up to the time set for opening. Such revisions and amendments, if any, shall be announced by addendum to this solicitation. Copies of such addendums can be found on the Town of East Windsor website, www.eastwindsorct.com under Treasurer's Office. If revisions and amendments require changes in quantities or prices proposed, or both, the date set for opening of proposals may be postponed by such number of days as in the opinion of the Town shall enable bidders to revise their proposals. In any case, the proposal opening shall be at least five working days after the last addendum; and the addendum shall include an announcement of the new date, if applicable, for the opening of proposals.

Firm's Investigation: Before submitting a proposal, each firm shall make all investigations and examinations necessary to ascertain all conditions and requirements affecting the full performance of the contract and to verify any representations made by the Town upon which the financial advisor will rely. If the firm receives an award as a result of its proposal submission, failure to have made such investigations and examinations will in no way relieve the firm from its obligation to comply in every detail with all provisions and requirements of the contract, nor will a plea of ignorance of such conditions and requirements be accepted as a basis for any claim whatsoever by the firm for additional compensation.

Competency of Firms: No proposal will be accepted from or contract awarded to a firm that is not licensed in accordance with applicable laws, who does not hold a license qualifying financial advisor to perform work under this contract, to whom a proposal form has not been provided and who has not successfully performed on projects of similar character and scope. The financial advisor must be registered with the SEC and MSRB.

The financial advisor shall be required, before the award of any contract, to show, to the complete satisfaction of the Town, that it has the necessary facilities, ability, experience, and financial resources to provide the services specified herein in a satisfactory manner. Generally, financial advisor history and references are required at a minimum. The Town may make reasonable investigations deemed necessary and proper to determine the ability of a financial advisor to perform the work, and the financial advisor shall furnish the Town all information requested for this purpose.

Nondiscrimination: The successful financial advisor shall agree and warrant that it will not discriminate or permit discrimination against any person or group of persons on the grounds of sex, race, color, religion, age, marital status, ancestry, national origin, past history of mental disorder, mental disability, physical disability, or other basis in any manner prohibited by the laws of the United States, the State of Connecticut, or the Town of East Windsor.

Hold Harmless and Indemnification: The financial advisor and its agents and assigns shall defend, indemnify and hold harmless the Town of East Windsor including but not limited to, its elected officials, its officers, and agents, ("the Town") from any and all claims made against the Town, including but not limited to, damages, awards, costs and reasonable attorney's fees, to the extent any such claim results from the wrongful, willful or negligent performance of services by the financial advisor during the financial advisor's performance of this Agreement or any other Agreements of the financial advisor entered into by reason thereof. The Town agrees to give the financial advisor prompt notice of any such claim.

Insurance:

The selected financial advisor shall be required to furnish proof of the following insurance coverage within ten (10) days of receipt of Notice of Selection. Insurance shall be issued by an insurance company licensed to conduct business in the State of Connecticut with a Best's Key Rating of A or better. Any and all exceptions must be approved by the First Selectman. Insurance coverage shall remain in full force for the duration of the Contract term including any and all extensions or renewal thereof. Each insurance certificate shall contain a (30) day notice of cancellation. All renewal certificates shall be furnished at least thirty (30) days prior to policy expiration.

Commercial General Liability, including Contractual Liability Insurance, with limits not less than \$2,000,000 Combined Single Limit Bodily Injury and Property Damage. All, if any, deductibles are the sole responsibility of the selected Provider to pay and/or indemnify.

Workers' Compensation in accordance with Connecticut General Statutes

Employer's Liability:

\$100,000 bodily injury for each accident;
\$100,000 bodily injury by disease for each employee;
\$500,000 bodily injury by disease aggregate

Professional Liability: Issued on a claims made basis with a \$2,000,000 Single Limit for the term of the contract and an extended reporting period of 3 years following its completion.

Excess Liability: Excess/Umbrella Liability for a limit of \$5,000,000.

The Town of East Windsor is included as Additional Insured, ATIMA under the Commercial General Liability and Employer Liability Insurance Policies. THE UNDERLINED WORDING MUST BE SHOWN IN THE SPACE PROVIDED FOR "COMMENTS" ON THE ACORD INSURANCE CERTIFICATE. (Additional Insured requirement is expressly waived for Workers' Compensation and Professional Liability coverages.)

Each insurance coverage named above shall provide not less than a 30-day notice of cancellation to the Town. All policies shall be on the occurrence form except for Professional Liability which shall be claims made. All insurance is primary and noncontributory. Any and all exceptions shall be reviewed by the First Selectman.

Cancellation or other termination of insurance policies required by this Agreement without immediate replacement thereof may be considered a default in the terms and conditions of this Agreement. Termination and/or cancellation of required insurance coverages does not relieve Consultant of obligation and/or liability he or his agents may incur under this contract. The Provider agrees that such default may be cured by procurement of insurance on behalf of Consultant, at the Consultant's expense, at Town's option.

Award: The Town of East Windsor reserves the right to reject any and all proposals; to waive any informality in the proposals; and to accept the proposal that appears to be in the best interest of the Town. The Town will be making award to a single financial advisor.

In determining and evaluating the best proposal, prices will not necessarily be controlling, but quality, equality, efficiency, utility, general terms, delivery, suitability of the service offered, and the reputation of the service in general use will also be considered with any other relevant factors.

Notice of contract award will be made by October 30, 2014 to the financial advisor, whose proposal complies with all the requirements in the Request for Proposals and is found to be the best value for the Town.

The financial advisor shall not commence work under the terms and conditions of the contract until all Certificates of Insurance have been approved by the Town and the financial advisor has received notice of the certificate's acceptance by the Town in writing.

Retention of Records: The financial advisor shall be required to retain any records necessary to document the charges for goods to be provided or services to be performed and make such records available to the Town or its designee for inspection at the Town's request for a period of five (5) years.

Non-Collusion Affidavit: The financial advisor declares, by signing and submitting a proposal, that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the financial advisor has not directly or indirectly induced or

solicited any other financial advisor to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any financial advisor or anyone else to put in a sham proposal, or that anyone shall refrain from bidding; that the auditor has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the financial advisor or any other bidder, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other financial advisor, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the financial advisor has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

Questions: Questions regarding this proposal, the Town or any matters relating to the Town's financial status should be submitted no later than October 10, 2014 to: Kimberly Lord, Treasurer, by e-mail at: klord@eastwindsorct.com